

240063

Oct. 28, 2012

S.C. Public Service Commission
 101 Executive Center Dr. Suite 100
 Columbia, SC 29210

RECEIVED
 2012 OCT 31 AM 11:51
 S.C. PUBLIC SERVICE
 COMMISSION

Dear Sirs and Madams:

As a retiree and customer of SCE&G
 (account # _____), I am
 officially filing OPPOSITION to the
 SCE&G request for rate increase.

Rather than ask for a rate increase, the
 company should be seeking more ways
 to reduce costs as is being done by
 non-regulated businesses. Perhaps SCE&G
 should model the numerous cost cutting
 measures used in recent years by

Duke Energy, a neighboring utility which
 has a much stronger financial rating than
 SCE&G. As the enclosed editorial from
 the Post & Courier expresses, there is much
 room for improvement in rates, honesty,
 integrity, and belt-tightening at
 SCE&G.

May your conscience be your guide
 and may your vote be NO to a
 rate increase.

Sincerely,
 Mary R. Kelley
 28 Pender Lane
 Edisto Island, SC 29438

A14: Sunday, October 28, 2012

Opinion

The Post and Courier

Founded in 1803

PAMELA J. BROWNING, Publisher

CHARLES R. ROWE, Editorial Page Editor

FRANK WOOTEN, Assistant Editor

TOM CLIFFORD, Executive News Director

EDITORIALS

Say 'no' to SCE&G rate hike

If SCE&G has its way, its average customer will pay \$141.73 per month. That's 42.4 percent more than customers of Duke Energy, 40.6 percent more than customers of Progress Energy and 25.8 percent more than Santee-Cooper customers.

SCE&G customers should be outraged at the disparity. But then they should have been outraged all along. They already pay 35.7 percent more than Duke's, 34 percent more than Progress' and 26.1 percent more than Santee-Cooper's customers.

SCE&G contends that it needs the rate increase because of several situations. At the Wateree Station power plant, a new "scrubber" (\$280 million) was brought into service in 2010 to meet federal clean air standards. Nearly \$30 million has been spent on other environmental upgrades and projects.

With the downturn in financial markets, SCE&G has incurred additional expenses associated with employee pensions.

And SCE&G wants to add to a storm reserve to help in the event of another Hurricane Hugo.

Still, it is puzzling that SCE&G should need so much more for operations and maintenance than its counterparts.

Maybe the utility needs to economize. If expenses cited by the state's Office of Regulatory Staff are any indication, there's room for cost-cutting, and maybe for a change of attitude, too.

Case in point: An audit of SCE&G by the ORS, which serves as the state's consumer advocate on utilities, found that one member of the board of directors charged a \$50 glass of scotch whiskey to the company.

And SCE&G paid \$370 for a \$37 steak at a Ruth's Chris Steak House. The ORS says the restaurant made a mistake on the bill, but it's alarming that SCE&G's accounting department didn't question paying \$370 for a steak. Even a \$37 steak is pretty pricey.

Auditors for ORS caught those two charges by reviewing just a sample of the utility's expenses. You have to wonder what a top-to-bottom audit might produce — and what it might reveal about

the utility's mindset on budgeting and spending.

SCE&G customers who don't want to see their already-high bills get higher can send a loud message to the S.C. Public Service Commission, which must approve or deny the request.

The PSC has scheduled three public hearings across the state to gather public input. On Nov. 5, the hearing will be at 6 p.m. in Charleston at the International Longshoremen's Association Local 1422 on Morrison Drive.

History shows that people can make a difference by speaking up in a night hearing. In 2010, after catching considerable flak from understandably alarmed customers, SCE&G dropped its initial proposal for a boost in electricity rates from 9.52 percent to 6.55 percent over one year. Then it dropped its proposal to 4.88 percent — over three years.

Writing letters of protest helps, but the ORS says commissioners do not see those letters. They do pay heed when customers speak out in person.

The ORS is still determining what it will recommend to the PSC. It will definitely protest part of the rate increase request, and it might well protest a significant portion of the request.

Other entities expected to address the rate hike include AARP, industrial customers, the Navy, Walmart and the South Carolina Small Business Chamber of Commerce, which described SCE&G's rationale for a rate hike as "appalling and offensive."

Consumers should be advised that SCE&G also is likely to portray itself as the good guy by proposing a reduction in fuel costs to customers. But the fact is that state regulations dictate that the reduction would happen regardless of whether a rate hike is approved, according to the ORS.

SCE&G's ability to continue providing electricity is vital to our state's citizens and to its economic future. But it's difficult to imagine that the utility can justify a rate scale that tops others by 40 percent and more.

If the PSC can rein them in, well, we'd drink to that — though with something less expensive than a \$50 glass of scotch.